



## **An Ideal pharmacoeconomic model for Indian scenario**

### **Dr. Venkatraghavan Sundaram**

Professor, Department of Pharmacy Practice,

SRM College of Pharmacy, SRM University

From time immemorial, the evaluation of new pharmaceutical products includes efficacy, effectiveness, and safety considerations. More recently, inter disciplinary health care researchers have developed tools and techniques for the evaluation of the economic effects of clinical care and latest medical techniques. Pharmacoeconomic evaluation techniques framework includes the research methods-related to cost-minimization, cost-effectiveness, cost-benefit, cost-of-illness, cost-utility, cost consequences, and decision analysis, as well as quality-of-life and other humanistic assessments, are conducted in a manner similar, but vary in measurement of value of health benefits and outcomes. Moreover, the role of health economics is well-recognized for efficient and equitable health system. In developing countries, the health care system faces challenges which are slightly different from developed countries, but however health economics tools are equally applicable. A vital step to establish Health Technology Assessment (HTA) in India is by preparing pharmacoeconomics guidelines. The main reason of such strong guidelines is due to medicines which account for 20-60% of health care spending in developing and transitional countries, compared with 18% in countries of the Organization for Economic Co-operation and Development. It has been estimated up to 90% of the population in developing countries purchase medicines through out-of-pocket payments, making medicines the largest family expenditure item after food. As a result, medicines are unaffordable for large sections of the global population and are a major burden on government budgets in addition to lack of social insurance and inadequate publicly subsidized services. The maximum benefit able areas in which HTA could be applied in the Indian context include, drug pricing, development of clinical practice guidelines, prioritizing interventions, reimbursement that represent the greatest value within a limited budget.